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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/175 22 October 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events 5-18 October 1962

Czechoslovakia has offered Bolivia free assistance for the development of its hydroelectric resources. The offer includes preparation of an over-all plan for hydroelectric development, surveys, and preparation of engineering plans and blueprints. Czechoslovakia also offered to send technicians and to establish a training institute. The offer to provide such extensive services without charge is most unusual.

Recent information states that the Brazilian Government has not extended landing rights to the USSR for its Moscow-to-Havana flights nor is a request for such an arrangement pending.

The Brazilian Air Ministry reportedly is considering a Polish offer to supply helicopters and small transport aircraft and the possible construction by Poland of an aircraft plant in Brazil.

The recent visit to Moscow by the Syrian Army's Chief of Staff has resulted in an agreement for the acquisition of SA-2 surface-to-air missiles and launchers and approximately 50 T-54 medium tanks. The equipment is to be delivered in the spring of 1963.

Progress on the Aswan High Dam apparently has lagged behind the original schedule. Recent actions taken by the USSR and the UAR, however, probably will be sufficient to allow completion of the first construction stage by 1964.

A Soviet economic delegation arrived in Bamako on 21 September to discuss implementation of the Soviet aid program. Consideration may be given to possible Soviet assistance for alleviating Mali's precarious trade and payments situation.

Poland has extended further economic assistance to Morocco. On 15 October, agreement was reached providing for a line of credit valued at \$12 million, to be utilized for imports of Polish capital goods and equipment.

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The USSR appears to be encountering difficulties in implementing its aid program in the Somali Republic. Prime Minister Abdirascid reportedly has canceled two projects which were to be financed under the Soviet economic credit extended in 1961 and has denied entry to additional Soviet personnel.

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